

Chief, Military Economics Branch

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THRU : Chief, Industrial Division
Chief, Shipbuilding Branch

Ruble-Dollar Ratios in Shipbuilding Labor.

1. It is understood that I/ME has questioned the difference between the ruble-dollar ratio used in earlier papers to obtain wage rates in rubles and the ratio derived in Project 35.1561. The following comments on this are submitted.

2. In the U.S., the average wage rate in the shipbuilding industry varies by region. It also varies by individual shipyard depending on the type of ship being built, the method of construction, the trades used and whether engines and boilers are built or purchased. Generally wage rates in private shipyards are higher than in naval shipyards. Most of these conditions hold true in the U.S.S.R. In addition we know very little regarding the specific Soviet shipbuilding wage scales by trades or by regions.

3. It is thus impossible to compute an exact ruble-dollar ratio for shipbuilding wages and any such ratio must be subject to a large range of error. The ratio of 3.5:1 given in 35.1106 was intended as a general ratio to cover all shipbuilding. It was based on practically no precise information and should perhaps be stated as 3.5 to 1 / 50 percent. The wage ratio derived in 35.1561 (1.6 to 1) applies only to the Skoryy destroyer and probably is not valid even for other destroyer types.

4. I/SH will keep I/ME informed as additional information regarding this and other shipbuilding ruble-dollar ratios becomes available. It is not anticipated, however, that these ratios will ever be precise but will always be subject to a sizeable range of error.

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